HOW TO DO BUSINESS WITH THE NAVAL AIR SYSTEMS COMMAND

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NAVAIR

NAVAIR's Role in Naval Aviation

- **Develop, acquire, and support aircraft, weapons and related systems which can be operated and sustained *at sea***
- **Provide analysis and decision support for cost/schedule/performance trades and investment decisions**
- **Increase Navy and Marine Corps capability, readiness and affordability in a joint/coalition environment**

Our capabilities support the unique mission of Naval Aviation.

Small Business 101

NAVAIR's policy is to provide "maximum practicable opportunities in its acquisitions to small business…concerns. Such concerns shall also have the maximum practicable opportunity to participate as subcontractors…"

FAR 19.201(a)

- **Procurements < $150K are automatically set aside for small businesses**
- **All actions > $150K are examined and rationale for not setting aside procurement for SB must be justified**
- **Tools include set-asides & sole source to a small business**

ASN(RD&A) MEMO – 19 JUL 11

DEPARTMENT OF THE NAVY
OFFICE OF THE ASSISTANT SECRETARY
(RESEARCH, DEVELOPMENT AND ACQUISITION)
1000 NAVY PENTAGON
WASHINGTON DC 20350-1000

JUL 19 2011

MEMORANDUM FOR DISTRIBUTION

SUBJECT: Increased Use of Small Business Concerns

The Department of Defense (DOD) has placed special attention on increasing the use of small business in Fiscal Year 2011, consistent with the Better Buying Power initiatives, and to support the White House's 23% small business goal. In FY 2010, DOD attained 22.7%.

In light of delays caused by the continuing resolution, achieving the FY11 goal will require significant effort. Because a significant percentage of the Department of the Navy's procurement dollars purchase goods and services that cannot be provided by small business, DOD determined the Department of the Navy (DON) share of the 23% goal to be 18.9%. To meet this challenge, the DON must increase our awards to small business by an estimated $1-2 billion over what was achieved in FY2010. Therefore, DoN acquisition and contracting activities are directed to 1) take immediate short term steps to measurably increase small business performance, 2) re-emphasize sound acquisition business practices to promote small business opportunity and 3) make long term process improvements for small business engagement. All of these align directly with the initiatives to improve acquisition excellence published in November 2009 and in Under Secretary of Defense, Acquisition, Technology, and Logistics, Better Buying Power Initiatives established by memorandum on September 24, 2010.

1) Immediate short term steps to measurably increase small business performance.

- Federal Supply Schedules (FSS): When using FSS to satisfy procurements between the micro-purchase and simplified acquisition threshold, ordering activities should consider socio-economic status when identifying contractor(s) for consideration or competition for award of an order (FAR 8.405-5(b)). Quotes should not be requested from large business concerns unless there is a determination that there are less than three small businesses on the schedule that will satisfy the government's requirements. The ordering activity contracting officer will document by memorandum when large business quotes are necessary, except when an ordering activity has approved justification limiting sources in accordance with 8.405-6.

- Indefinite Delivery/Quantity (IDIQ) Multiple Award Contracts (MAC): When using IDIQ MACs and where there are at least two small businesses on the award, task and delivery orders set-aside for competition by small business award holders are encouraged. Where only one small business exists on the contract, task and delivery order requirements should be developed to promote maximum opportunity for small

Three focus areas:

Immediate Short Term Steps

- Federal Supply Schedule Use - obtain quotes from SB Concerns
- IDIQ Multiple Award Contracts – encourages orders be set-aside for competition by SB award holders
- Authorized Socio-Economic Sole Source Authority Use

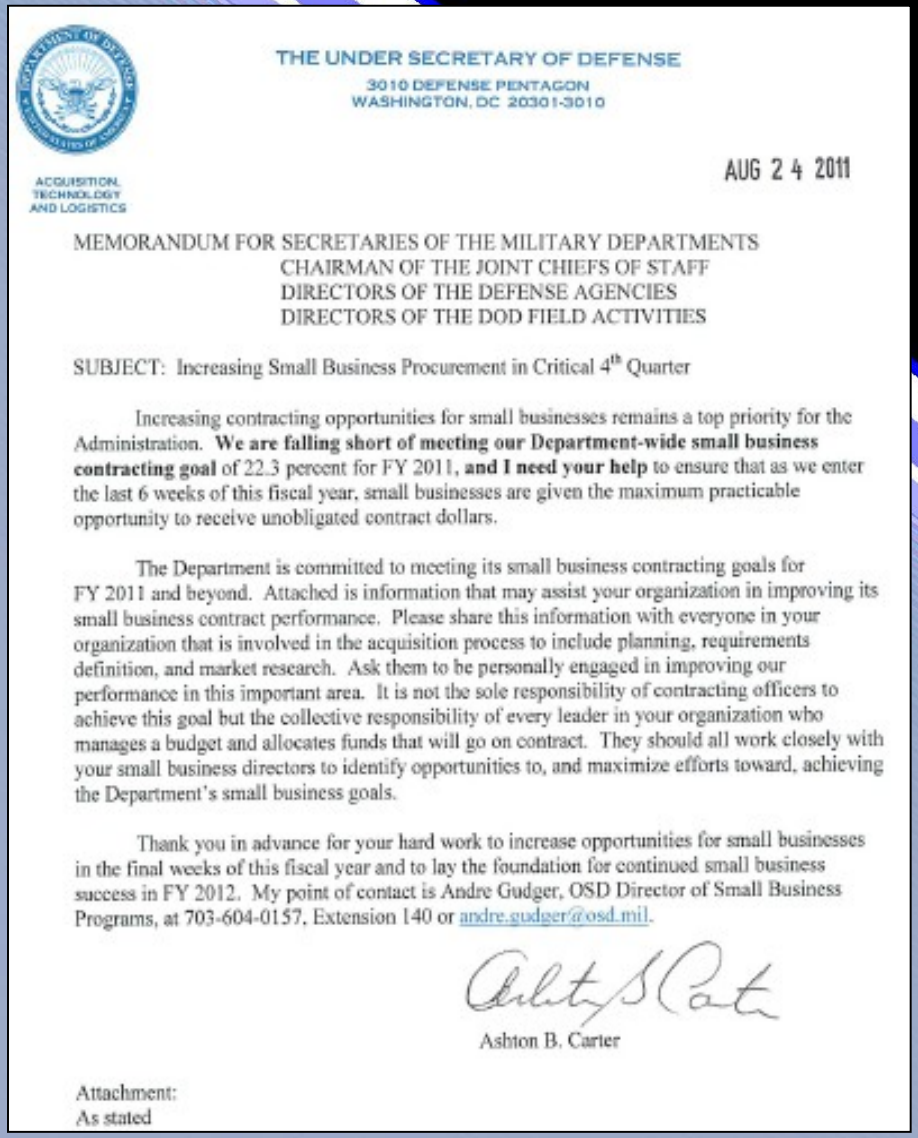
Re-emphasis of Sound Acquisition Business Practice

- Forecasting – publish and update a three year forecast
- Acquisition Strategy and Planning
- Perform Market Research
- Involve SB Specialist
- Document SB utilization strategy
- Consolidation and Bundling – avoid unless documented as mission essential

Long Term Process Improvement

- Subcontracting
  - Acquisition Strategies for ACAT I and ACAT II Programs must address Small Business and SBIR/STTR engagement
  - Technology Insertion Plan should indentify SBIR/STTR technologies to be transitioned
  - Should include Small Business Incentive Fee when incentives are used
- Accountability
  - Senior leadership's performance standards will address demonstrating support for the DON SB mission

USD(AT&L) MEMO – 24 AUGUST 2011



THE UNDER SECRETARY OF DEFENSE
3010 DEFENSE PENTAGON
WASHINGTON, DC 20301-3010

ACQUISITION, TECHNOLOGY AND LOGISTICS

AUG 24 2011

MEMORANDUM FOR SECRETARIES OF THE MILITARY DEPARTMENTS
CHAIRMAN OF THE JOINT CHIEFS OF STAFF
DIRECTORS OF THE DEFENSE AGENCIES
DIRECTORS OF THE DOD FIELD ACTIVITIES

SUBJECT: Increasing Small Business Procurement in Critical 4th Quarter

Increasing contracting opportunities for small businesses remains a top priority for the Administration. **We are falling short of meeting our Department-wide small business contracting goal** of 22.3 percent for FY 2011, **and I need your help** to ensure that as we enter the last 6 weeks of this fiscal year, small businesses are given the maximum practicable opportunity to receive unobligated contract dollars.

The Department is committed to meeting its small business contracting goals for FY 2011 and beyond. Attached is information that may assist your organization in improving its small business contract performance. Please share this information with everyone in your organization that is involved in the acquisition process to include planning, requirements definition, and market research. Ask them to be personally engaged in improving our performance in this important area. It is not the sole responsibility of contracting officers to achieve this goal but the collective responsibility of every leader in your organization who manages a budget and allocates funds that will go on contract. They should all work closely with your small business directors to identify opportunities to, and maximize efforts toward, achieving the Department's small business goals.

Thank you in advance for your hard work to increase opportunities for small businesses in the final weeks of this fiscal year and to lay the foundation for continued small business success in FY 2012. My point of contact is Andre Gudger, OSD Director of Small Business Programs, at 703-604-0157, Extension 140 or andre.gudger@osd.mil.

Ashton B. Carter

Attachment:
As stated

- **Increasing contracting opportunities for small businesses top priority for the Administration.**
- **DoD is falling short of meeting small business goal of 22.3 percent for FY11.**
- **Small businesses must be given maximum practicable opportunity to receive unobligated contract dollars.**
- **DoD committed to meeting its small business contracting goals for FY11 and beyond.**
- **Share this information with everyone in your organization involved in the acquisition process to include planning, requirements definition and market research. Personally engage in improving performance.**
- **Contracting officers are not solely responsible. Every leader managing a budget and allocating funds for contracts is accountable.**
- **Work closely with your small business director.**

NAVAIR Office of Small Business Programs

Mission:

Enabling the war fighter with creative solutions brought to them through small business.

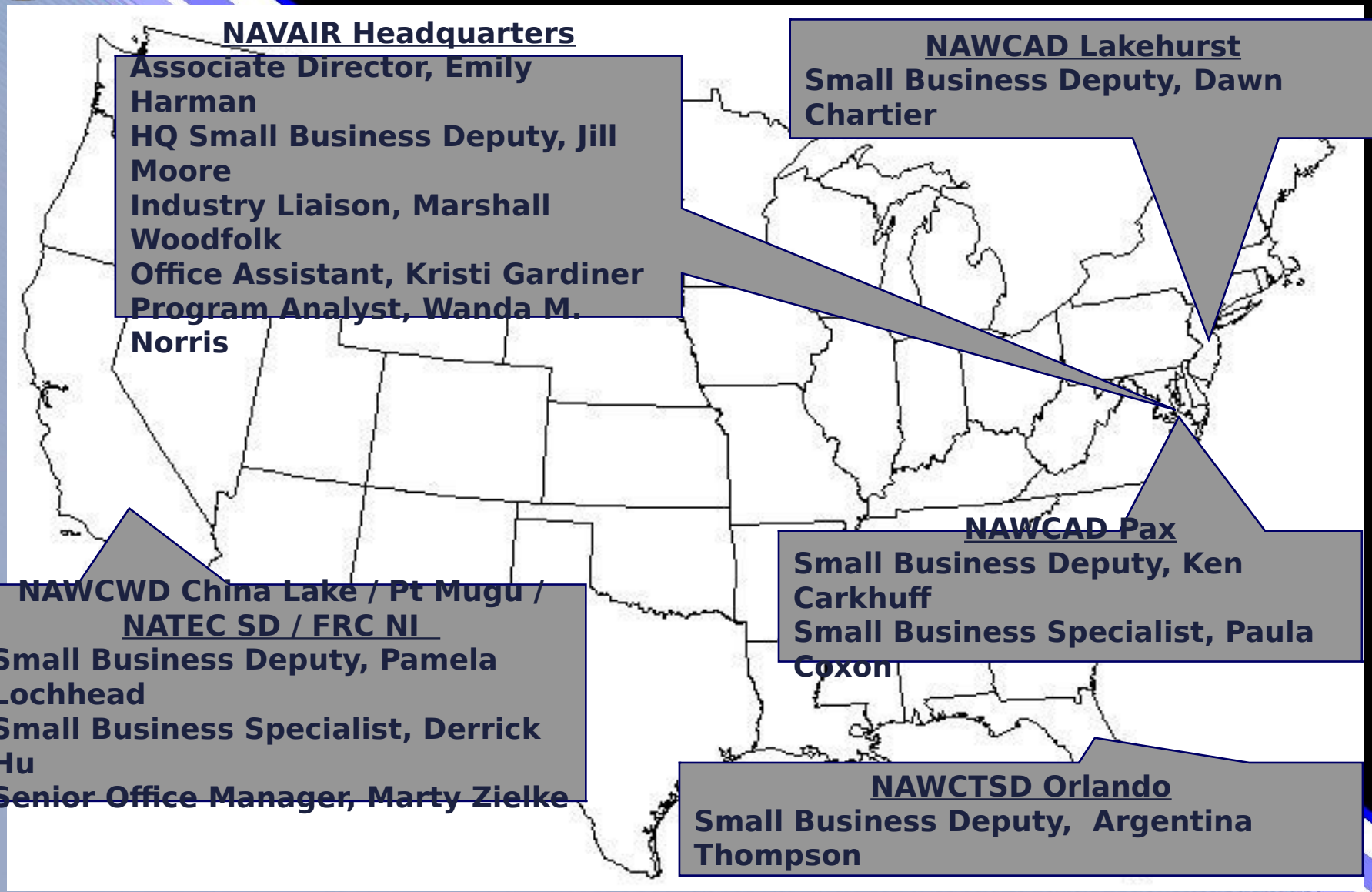
Vision:

NAVAIR's Office of Small Business Programs is a valuable resource that enables the best solutions for the war fighter. We are advocates for NAVAIR's strategic priorities: current readiness, future capability and people. Achieving these priorities requires the entrepreneurial skills of small and large businesses. We strive to ensure that the creative talents of small businesses are nurtured and sustained in defense of freedom.

www.navair.navy.mil/osbp

Ms. Emily Harman, Associate Director, OSBP

NAVAIR Office of Small Business Programs



NAVAIR Headquarters

Associate Director, Emily Harman
HQ Small Business Deputy, Jill Moore
Industry Liaison, Marshall Woodfolk
Office Assistant, Kristi Gardiner
Program Analyst, Wanda M. Norris

NAWCAD Lakehurst

Small Business Deputy, Dawn Chartier

NAWCAD Pax

Small Business Deputy, Ken Carkhuff
Small Business Specialist, Paula Coxon

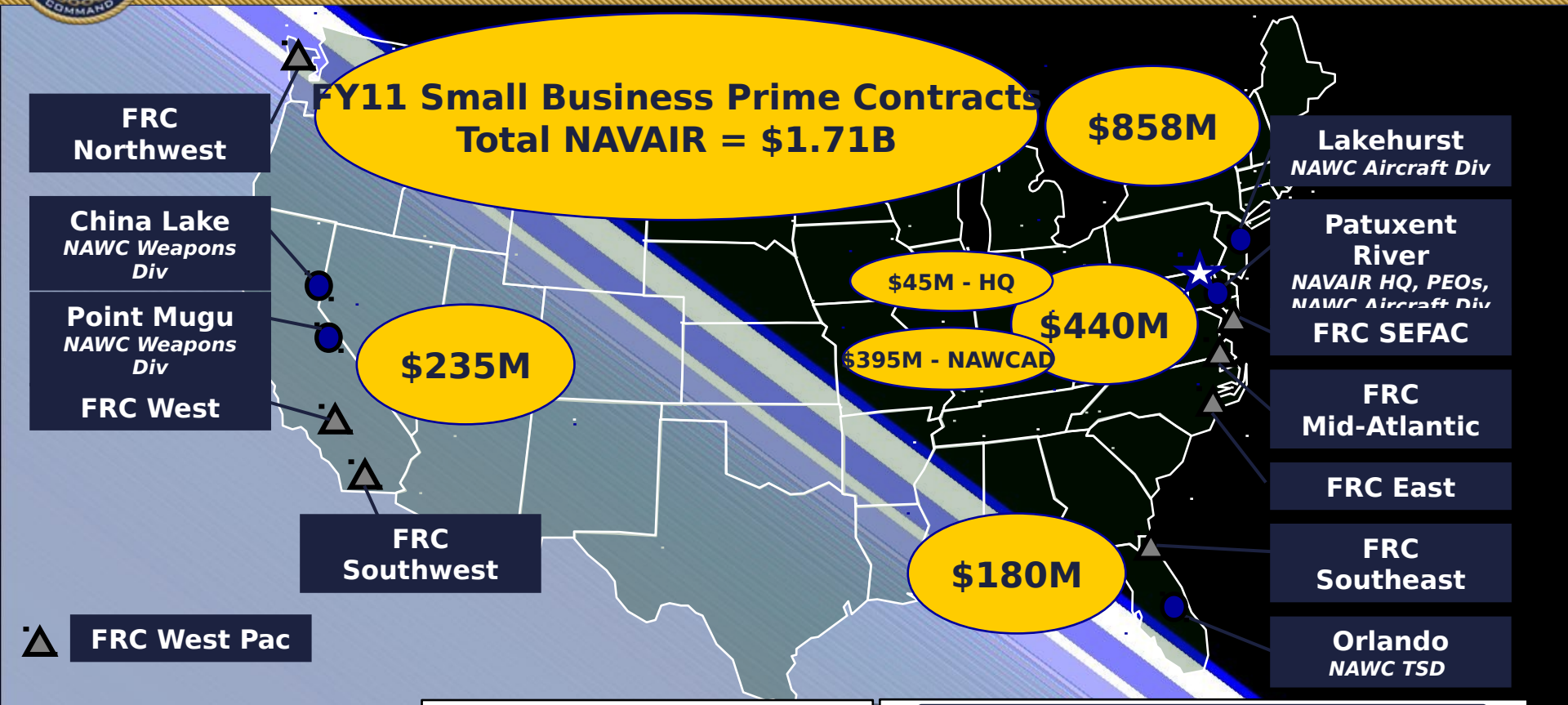
NAWCWD China Lake / Pt Mugu / NATEC SD / FRC NI

Small Business Deputy, Pamela Lochhead
Small Business Specialist, Derrick Hu
Senior Office Manager, Marty Zielke

NAWCTSD Orlando

Small Business Deputy, Argentina Thompson

FY11 Small Business Obligations



Source: FPDS-NG 8 Nov 11

Weapons West Coast Hub

- *Missiles / Freefall weapons*
- *Weapon System Integration*
- *Electronic Warfare Systems*
- *Land Range / Sea Range*
- *Non Lethal / Lethal Weapons*

Aircraft East Coast Hub

- *Air vehicles*
- *Propulsion & Power*
- *Avionics & Sensors*
- *Ship Interface & Support Systems*
- *Launch & Recovery*
- *UAVS*
- *Atlantic Test Range & Ground Systems Test Facilities*
- *Human Performance / Simulator Systems*

Do Your Homework

- Review NAVAIR website – www.navair.navy.mil
- Review NAVAIR OSBP website–www.navair.navy.mil/osbp
  - Strategic plans
  - NAWCAD operating plan
  - LRAF
  - Links to other NAVAIR websites
  - Links to recent briefings
- Review FPDS-NG website – www.fpds.gov
  - Find out what NAVAIR procured in the past

Let Us Know!

When NAVAIR issues a sole source synopsis and you believe you can provide the supplies/services, LET US KNOW!

If you know a full and open competition is pending or you see a full and open competition synopsis and you think there are 2 or more SDVOSBs, 8(a)s, HUBZones, WOSBs, or small businesses that can do the work, LET US KNOW!

Work [illegible] and the small

NAVAIR OSBP Website
www.navair.navy.mil/osbp

After Contract Award

- Key message: You must now PERFORM!
- LET NAVAIR KNOW if you're experiencing difficulties… ASAP
  - Technical/Performance
  - Schedule
  - Financial
- …And these communications should be DOCUMENTED
- Know your CONTRACT…scope, terms, conditions, schedules, deliverables – it's what we're holding you accountable for

Resources Available to Assist

First line of communication after contract award

- Contracting Officer
- Administrative Contracting Officer
- Technical Customer
- NAVAIR Small Business Deputy
- Also:
  - SBA website (http://www.sba.gov)
    - Counseling – in person, email
    - Financial Assistance Training
    - Training
    - PTAC (http://www.sellingtothegovernment.net)

Upcoming Events

- **Small Business Roundtable General Membership Meeting**
  - **Date: 16 February 2012**
  - **Time: 0800-1200**
  - **Location: Frank Knox Building (Off base)**
  - **Focus: NAVAIR OSBP update**
- **NAWCAD Long Range Acquisition Forecast Industry Day**
  - **Date: 13 March 2012**
  - **Time: 0800-1700**
  - **Location: Solomons Island, MD**
  - **Focus: Technical briefings on selected LRAF procurements for Pax River, MD and Lakehurst, NJ**

CONTRACTS

Simplified Acquisition Procedures (SAP)

- **Simplified Acq**
  - **Federal Acquisit**
  - **Federal Acquisition**
    - **FAR Part 12 Commercia**
    - **FAR Part 13 Simplified Acq**
- **Purpose of SAP (FAR 13.002)**
  - **Improve opportunities for small businesses to obtain a fair proportion of Government contracts;**
  - **Reduce administrative costs, promote efficiency and economy in contracting and avoid unnecessary burdens for agencies and contractors**

Simplified Acquisition Procedures (up to $150,000)

SAP actions are reserved for small business

Rapid Acquisition Center (RAC) Purpose

- NAWCAD Contra
  2007
  - The focus on contract
    purchase threshold uti
    Procedures
    - Actions between $3,000 - $
      - *Micro-purchase -acquisition
        services less than $3,000 (FA*
  - RAC supports customers across NAVA
    NAWCAD
  - Procure a variety of products/services
    - Products such as Test Equipment, Communications Equipment and Miscellaneous IT
    - Services such as Flight Demonstration Training, Software Maintenance, and Equipment Evaluations/Repair

Rapid Acquisition Center (RAC) – FY 2011

7030 ADP software
6625 Electronic Measuri
6640 Lab Equipment & Supp
7035 ADP Support Equipment
5985 Antennas

5 Top NAICS Code

334220 Radio & TV Communication Equipme
511210 Software Publishers
334515 Instrument Manuf. For Measuring & Testi
Elec. Signals
541519 Other Computer Related Services
611512 Flight Training

NAWCAD Pax: UIC: N00421

Rapid Acquisition Center Opportunities

- Continuously l
  competition
- Utilize Government P
  opportunities and seek
  RAC procurements
  - Per Small Business Act (15 U.S.C. 637(e)
    Federal Procurement Policy Act (41 U.S.C. 416
    - Require Agencies provide notices o
      actions.
    - Improve small business access to acquisi
      and enhance competition
- RAC team uses GPE for all SAP actions over the
  purchase threshold
  - Seek qualified sources
    - Critical that Small Businesses make their capabilities known
    - When more than one Small Business is capable, true

RAC Team Points of Contact

- **Darlene Davis, Procuring Contracting Officer, RAC Team**

  Darlene.Davis@navy.mil

- **Tracy Medford, Chief of the Contracting Office, NAWCAD**

  Tracy.Medford@navy.mil

AIR-4.5

AIR 4.5 St. Inigoes

SIMPLIFIED ACQUI

FY

Number of Awards:

307

Total Dollars Obligated:

$10.5M

AIR 4.5 St. Inigoes

Major Equipment Procured	
Adapters	Fasteners and Extrusions
Amplifiers	Mounting Kits
Antennas/Masts	Radomes
Cable Assemble	Shelters
Cases	Tents
Chambers	Work Station Lighting
Elliptical Waveguides	Work Station Work Surfaces

AIR 4.5 St. Inigoes

IT Related Equipment Procured (Hardware and Software)	
Audio Visual Equipment	Power Supplies
Cables	Printers
Cable Assemblies	Print Cartridges
Chambers	Radios
Computers	Routers/Modems
Connectors	Satellite Receivers
Equipment Racks	VTC Equipment
Networking Equipment	Wires

BACK UP

NAWCAD Pax Targets Vs. Actuals

Prime Contracting	NAWCAD PAX FY09	NAWCAD PAX FY10	NAWCAD PAX FY11	NAWCAD PAX FY12 ACTUALS as of 31 OCT 11
Total Dollars	$ 1,891,173,838	$ 1,852,715,322	$ 1,888,693,306	$ 70,954,528
Small Business	29.698%	28.304%	20.811%	36.297%
Target	31.711%	29.700%	31.500%	28.000%
Dollars	$ 561,645,861	$ 524,392,761	$ 393,064,749	$ 25,754,713
SMALL DISADVANTAGED BUSINESS	10.811%	8.703%	8.309%	21.092%
Target	7.131%	9.672%	9.750%	8.700%
Dollars	$ 204,462,081	$ 161,238,960	$ 156,934,237	$ 14,966,023
VETERAN-OWNED SB**	8.369%	6.990%	7.329%	3.478%
Dollars	$ 158,266,693	$ 129,506,529	$ 136,690,405	$ 2,467,753
SERVICE-DISABLED VETERAN-OWNED SB	2.789%	2.370%	3.726%	0.325%
Target	3.000%	3.000%	3.000%	3.500%
Dollars	$ 52,745,866	$ 43,904,631	$ 70,373,963	$ 230,410
WOMAN-OWNED SB	5.226%	6.939%	4.094%	8.834%
Target	5.481%	5.270%	6.000%	4.890%
Dollars	$ 98,837,611	$ 128,557,104	$ 77,316,784	$ 6,268,210
HIST. UNDERUTILIZED BUSINESS ZONE SB	0.748%	0.801%	0.655%	0.616%
Target	0.461%	0.870%	0.820%	0.750%
Dollars	$ 14,140,185	$ 14,839,741	$ 12,365,406	$ 437,335

***VOSB has no set target from DoD. Data derived from FPDS-NG Small Business Achievements by Awarding Organization.**

NAWC WOSB Performance

	FY06	FY07	FY08	FY09	FY10	FY11	FY12 as of 31 OCT 11
NAWCWD							
Goal	4.650%	3.200%	1.330%	2.991%	2.679%	2.900%	2.550%
Actual Percentage	**1.990%**	**2.990%**	**2.250%**	**2.756%**	**2.602%**	**1.885%**	**1.329%**
Dollars Obligated to WOSBs	$ 10,109,872	$ 15,415,003	$ 13,363,315	$ 16,588,380	$ 17,436,814	$ 12,431,962	$ 891,239
Total Dollar Amount	$ 507,991,852	$ 515,574,057	$ 593,891,329	$ 601,965,912	$ 670,256,189	$ 659,547,997	$ 67,039,090
NAWCAD PAX RIVER							
Goal	2.580%	4.100%	4.150%	5.481%	5.270%	6.000%	4.890%
Actual Percentage	**4.124%**	**5.478%**	**4.860%**	**5.226%**	**6.939%**	**4.094%**	**8.834%**
Dollars Obligated to WOSBs	$ 60,401,488	$ 91,367,857	$ 78,880,567	$ 98,837,611	$ 128,557,104	$ 77,316,784	$ 6,268,210
Total Dollar Amount	$ 1,464,464,286	$ 1,667,883,722	$ 1,623,057,931	$ 1,891,173,838	$ 1,852,715,322	$ 1,888,693,306	$ 70,954,528
NAWC TSD ORLANDO							
Goal	5.650%	5.200%	7.000%	7.000%	6.000%	5.500%	5.100%
Actual Percentage	**5.805%**	**6.858%**	**4.127%**	**8.140%**	**5.926%**	**5.292%**	**1.377%**
Dollars Obligated to WOSBs	$ 127,522,388	$ 137,401,608	$ 43,329,951	$ 58,718,633	$ 39,146,607	$ 40,287,914	$ 771,678
Total Dollar Amount	$ 2,196,928,130	$ 2,003,607,720	$ 1,049,945,317	$ 721,385,643	$ 660,568,266	$ 761,247,298	$ 56,023,040
NAWCAD LAKEHURST							
Goal	4.740%	4.600%	6.580%	8.101%	4.970%	5.600%	4.890%
Actual Percentage	**4.393%**	**8.102%**	**8.095%**	**6.690%**	**4.605%**	**3.668%**	**11.173%**
Dollars Obligated to WOSBs	$ 26,687,958	$ 60,897,330	$ 64,218,050	$ 74,481,810	$ 62,892,625	$ 51,270,944	$ 4,249,492
Total Dollar Amount	$ 607,454,040	$ 751,674,382	$ 793,260,994	$ 1,113,313,012	$ 1,365,884,784	$ 1,397,875,948	$ 38,033,950
TOTAL							
Total Dollars Obligated to WOSBs	$224,721,706	$305,081,797	$199,791,883	$248,626,434	$248,033,149	$181,307,604	$12,180,619
Total Dollars Obligated	$4,776,838,308	$4,938,739,881	$4,060,155,571	$4,327,838,405	$4,549,424,561	$4,707,364,549	$232,050,608
Total NAWC Percentage	**4.70%**	**6.18%**	**4.92%**	**5.74%**	**5.45%**	**3.85%**	**5.25%**

Data derived from FPDS-NG Small Business Achievements by Awarding Organization.

NAWC SDVOSB Performance

	FY06	FY07	FY08	FY09	FY10	FY11	FY12 as of 31 OCT 11
NAWCWD							as of
Goal	0.370%	0.700%	3.000%	3.000%	3.000%	1.200%	2.100%
Actual Percentage	**1.034%**	**1.660%**	**1.084%**	**0.793%**	**1.204%**	**2.462%**	**37.596%**
Dollars Obligated to SDVOSBs	$ 5,251,074	$ 8,558,797	$ 6,437,936	$ 4,774,302	$ 8,255,231	$ 16,235,254	$ 25,203,958
Total Dollar Amount	$ 507,991,852	$ 515,574,057	$ 593,891,329	$ 601,965,912	$ 685,639,659	$ 659,547,997	$ 67,039,090
NAWCAD PAX RIVER							
Goal	0.060%	0.400%	3.000%	3.000%	3.000%	3.000%	3.500%
Actual Percentage	**0.588%**	**0.428%**	**0.777%**	**2.789%**	**2.370%**	**3.726%**	**0.325%**
Dollars Obligated to SDVOSBs	$ 8,605,679	$ 7,134,910	$ 12,616,977	$ 52,745,866	$ 43,904,631	$ 70,373,963	$ 230,410
Total Dollar Amount	$ 1,464,464,286	$ 1,667,883,722	$ 1,623,057,931	$ 1,891,173,838	$ 1,852,715,322	$ 1,888,693,306	$ 70,954,528
NAWC TSD ORLANDO							
Goal	1.420%	0.400%	3.000%	3.000%	3.000%	1.000%	2.180%
Actual Percentage	**0.796%**	**0.425%**	**0.153%**	**0.347%**	**0.921%**	**2.854%**	**-0.034%**
Dollars Obligated to SDVOSBs	$ 17,481,722	$ 8,519,852	$ 1,607,131	$ 2,505,622	$ 6,081,098	$ 21,723,505	$ (18,874)
Total Dollar Amount	$ 2,196,928,130	$ 2,003,607,720	$ 1,049,945,317	$ 721,385,643	$ 660,568,266	$ 761,247,298	$ 56,023,040
NAWCAD LAKEHURST							
Goal	0.240%	1.800%	3.000%	3.000%	3.000%	3.000%	4.960%
Actual Percentage	**2.366%**	**3.056%**	**3.381%**	**2.406%**	**16.475%**	**18.001%**	**0.098%**
Dollars Obligated to SDVOSBs	$ 14,370,690	$ 22,968,695	$ 26,822,779	$ 26,783,264	$ 225,035,940	$ 251,634,903	$ 37,362
Total Dollar Amount	$ 607,454,040	$ 751,674,382	$ 793,260,994	$ 1,113,313,012	$ 1,365,884,784	$ 1,397,875,948	$ 38,033,950
TOTAL							
Total Dollars Obligated to SDVOSBs	$45,709,165	$47,182,254	$47,484,823	$86,809,054	$283,276,900	$359,967,626	$25,452,856
Total Dollars Obligated	$4,776,838,308	$4,938,739,881	$4,060,155,571	$4,327,838,405	$4,564,808,032	$4,707,364,549	$232,050,608
Total NAWC Percentage	**0.96%**	**0.96%**	**1.17%**	**2.01%**	**6.21%**	**7.65%**	**10.97%**

Data derived from FPDS-NG Small Business Achievements by Awarding Organization.